

Reclamation Manual

Directives and Standards

- Subject:** Environmental Compliance Audit Program
- Purpose:** This Directive and Standard (D&S) establishes the requirements and responsibilities for a documented audit program to ensure compliance with applicable and appropriate Federal, state, and local environmental rules and regulations on Bureau of Reclamation lands and facilities. The benefit of this D&S is the reduction of non-compliance with environmental regulatory requirements.
- Authority:** Occupational Safety and Health Act of 1970 (OSHA); Emergency Planning and Community Right-to-Know Act of 1986 as amended; Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA); Oil Pollution Act of 1990 (OPA); Resource Conservation and Recovery Act (RCRA) of 1996 as amended; Safe Drinking Water Act of 2000 as amended; Clean Water Act as amended of 2000 as amended; Federal Insecticide, Fungicide, and Rodenticide Act of 2001 as amended; Toxic Substances Control Act (TSCA) of 2005 as amended; Title 40 Code of Federal Regulations (CFR), Title 29 CFR; Executive Order 13101, Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition; Executive Order 13423, Strengthening Federal Environmental, Energy, and Transportation Management; and Department of the Interior Manual 515.2
- Approving Official:** Director, Policy and Administration (Policy)
- Contact:** Maintenance Services Division, 84-57000
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1. **Introduction.** This D&S satisfies the Department of the Interior's requirement that each bureau and office shall develop, implement, and document an environmental compliance audit program. It establishes the Reclamation environmental auditing protocol and meets other criteria specified in 515 DM 2.5. An Environmental Compliance Audit (audit) provides environmental regulatory compliance assistance on the use of hazardous materials, remediation of hazardous waste sites, environmental mitigation, and operation activities on Reclamation lands. Specifically included as auditable facilities are those that use, treat, or store hazardous substances or petroleum products, or that may generate a hazardous waste.
2. **Applicability.** Environmental Compliance Audit Program requirements, as specified in this D&S, apply to all managers of Reclamation lands and facilities.

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3. Definitions.

- A. **Auditor Independence.** An auditor that is not supervised directly or indirectly by management of the audited facility or organization. A contracted auditor that does not benefit from any corrective action or follow-up work resulting from the audit.
- B. **Reclamation Lands and Facilities.** All acquired and withdrawn lands under the Reclamation jurisdiction including dams, canals, powerplants, appurtenances, and improvements on lands including, but not limited to, buildings, structures, installations, equipment, pipelines, wells, pits, ponds, lagoons, impoundments, ditches, landfills, and storage units. This also includes user and third-party activities that involve hazardous materials/waste, e.g., contractors, irrigation districts, concessionaires, managing agencies (including managing agency contractors), and other activities that occur on facilities and lands leased by Reclamation. For the purposes of this D&S, the following can be considered a single facility:
- (1) an area office;
 - (2) a field office;
 - (3) an irrigation district;
 - (4) a concessionaire;
 - (5) a contractor or construction site; or
 - (6) a Reclamation-owned facility managed by another party.

4. Responsibilities.

- A. **Regional Directors.** Regional directors will:
- (1) Ensure compliance with applicable Federal, state, and local environmental rules and regulations, 515 DM 2, and Reclamation Manual Policy and D&S at all Reclamation lands and facilities. This includes environmental compliance of third party operator activities (e.g., those of contractors, concessionaires, water districts, etc.) on Reclamation lands and facilities.
 - (2) Promote sound environmental practices.
 - (3) Identify the region's point of contact for the Environmental Compliance Audit Program.
 - (4) Ensure the development and maintenance of an auditable facility list. Regions will maintain a list of auditable facilities for the purpose of

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scheduling recurring environmental compliance audits, tracking audit findings, and documenting that audit findings were addressed.

- (5) Ensure the use of current checklists. Regions will have audit programs that, at a minimum, address the questions found in the checklists included as Appendices of this D&S.
- (6) Ensure that findings are addressed. Regions will have procedures to ensure timely and effective action is taken to address discrepancies found on Reclamation lands and facilities.
- (7) Ensure that the appropriate facility manager is identified and assigned responsibility for addressing audit findings.
- (8) Ensure that audit program guidance and D&S are reviewed as necessary, or at least every 2 years, and review comments provided to the Policy office.
- (9) Report audit program activities to Policy at least annually. Reports must include the following minimum information.
 - (a) changes to the region's auditable facility list;
 - (b) tracking and completion of regional audits with copies of audit reports; and
 - (c) tracking and completion of corrective action on applicable findings.

B. Director, Policy. The Director, Policy will:

- (1) Promote compliance with applicable and appropriate Federal, state, and local environmental rules and regulations, Department requirements, and Reclamation Manual Policy and D&S.
- (2) Promote sound environmental practices.
- (3) Identify a Policy point of contact for the environmental compliance audit program.
- (4) Ensure the development and maintenance of a bureau environmental audit facility list. Policy will consolidate a list of entities and facilities based on the region facility lists to assist in scheduling of recurring Policy environmental compliance audits, tracking of audit findings, and documenting that environmental audit findings were addressed.
- (5) Update environmental compliance audit program documentation at least every 2 years.

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- (6) Ensure checklists (Appendices) are updated as necessary.
 - (7) Ensure findings are timely and effectively addressed. The director will have procedures and resources in place to conduct Policy lead audits as necessary at the facility level.
 - (8) Assist regions, as necessary, in identifying and assigning third party operator responsibility for addressing audit findings.
5. **Environmental Audit Scope.** An audit of facilities will evaluate environmental compliance for activities and operations on Reclamation lands. Checklists for the following areas of evaluation are included as appendices to this D&S.
- A. *Hazardous Material Management* – RCRA, Hazardous Materials Transportation Act (HMTA), CERCLA; and state and local hazardous waste program rules and regulations (Appendix A).
 - B. *Spill Prevention Control and Countermeasure Plans* - OPA (Appendix B).
 - C. *Aboveground Storage Tanks* - National Fire Code, Clean Air Act, Clean Water Act, RCRA Subtitle I, OPA, and state and local requirements. Requirements may also include state aquifer protection programs and state oil pollution prevention programs (Appendix C).
 - D. *Underground Storage Tanks* - Clean Water Act, RCRA Subtitle I, OPA, and state and local requirements. Requirements may also include state aquifer protection programs and state oil pollution prevention programs (Appendix D).
 - E. *Waste Minimization* - RCRA (Appendix E).
 - F. *Emergency Response and Community Right-to-Know Act* - (Appendix F).
 - G. *Point Source Discharge* - Clean Water Act, National Pollutant Discharge Elimination System (Appendix G).
 - H. *Toxic Substance Control Act* - Management of polychlorinated biphenyl, asbestos, and lead based paint disposal (Appendix H).
 - I. *Safe Drinking Water Act* - Permit and monitoring of drinking water systems (Appendix I).
 - J. *Lands Acquisition/Disposal* – CERCLA, Department of the Interior requirements under 602 DM 1 and 602 DM 2.A. specifically concerning environmental site assessments (Appendix J).
 - K. *Pest Management* - Federal Insecticide, Fungicide, and Rodenticide Act (Appendix K).

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- L. *Medical Waste* - RCRA (Appendix L).
 - M. *Hazard Communication* - OSHA (Appendix M).
 - N. *Hazardous Materials Training* - OSHA, RCRA, and HMTA (Appendix N).
6. **Auditor Qualifications.** An audit team leader must be independent from the facility or organizational level being audited. Minimum training to qualify as an audit team lead includes:
- A. general knowledge of the audited facility, its organizational level, and its operation;
 - B. working knowledge of applicable environmental rules and regulations, especially RCRA, and Reclamation Manual Policy and D&S;
 - C. 24 hours of formal training on applicable hazardous waste management (e.g., hazardous material awareness, hazardous waste operator training, etc.); and
 - D. experience as an audit team leader or team member within the last 2 years, or completion of audit training specific to Reclamation's environmental compliance audit program needs.
7. **Exceptions to Auditor Independence.** Exceptions to the auditor independence requirement are allowed for audits when adherence would create a significant travel or economic hardship. If an otherwise qualified auditor does not meet the independence criteria for a given organizational level, they must obtain written approval from the regional director or designated representative, before conducting an environmental compliance audit.
8. **Classification of Findings.** Classification of findings is based on the threat to human health or the environment as an estimate of the risk associated with the discrepancy. Findings that are regulatory requirements must be assigned a classification in the final written audit report.
- A. **Class 1.** Class 1 findings indicate a major threat to human health or the environment that could result in death or major property damage.
 - B. **Class 2.** Class 2 findings indicate a moderate threat to human health or the environment that could result in significant injury, illness, or property damage.
 - C. **Class 3.** Class 3 findings indicate a minor threat to human health or the environment that could result in injury, illness, or property damage.
 - D. **Class 4.** Class 4 findings are not regulatory discrepancies. Class 4 findings concern accepted industry best management practices or standards.